

Message Text

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ACTION ARA-10

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E.O. 11652: N/A
TAGS: EGEN, EINV, VE
SUBJECT: PRESIDENT PEREZ SUMMARIZES ECONOMIC PROGRESS OVER
PAST THREE YEARS

REF: CARACAS 2641

1. IN HIS ANNUAL MESSAGE TO CONGRESS MARCH 11, PRESIDENT PEREZ
USED A NUMBER OF YARDSTICKS TO SUPPORT HIS ASSERTION THAT THE COUNTRY
WAS EXPERIENCING A DRAMATIC ECONOMIC TRANSFORMATION AND THAT ALL
MAJOR ELEMENTS OF THE POPULATION WERE SHARING AND WOULD CONTINUE
TO SHARE IN THE NEW PROSPERITY. SOME OF THE MORE SIGNIFICANT
COMPARISONS HE MADE WERE AS FOLLOWS:

IN JUNE OF 1976, THE NUMBER OF NON-AGRICULTURAL
WORKERS EARNING MORE THAN BS 500 MONTHLY WAS 2.3 MILLION;
AN INCREASE OF 277,000 OVER JUNE OF 1975.

LABOR'S SHARE OF NATIONAL INCOME ROSE FROM 59.3 PERCENT IN
1973 TO 62.5 PERCENT IN 1975.

THE NUMBER OF VENEZUELAN RECEIVING TECHNICAL
TRAINING OR ADVANCED EDUCATION FINANCED BY THE
STATE IS EXPECTED TO EXCEED 200,000 IN 1977.

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THE REAL AVERAGE ANNUAL INCREASE IN VENEZUELAN
GNP HAS BEEN 6.8 PERCENT DURING THE PERIOD 1974-76,
COMPARED TO 4.9 PERCENT IN THE PERIOD 1969-73.

DUE TO THE GOVERNMENT'S POLICY OF CONSERVATION,
VENEZUELA'S PROVEN RESERVES SHOULD LAST 22 YEARS AT
CURRENT RATES OF PRODUCTION.

- THE INTERNAL ECONOMY, EXCLUDING IRON AND PETROLEUM, INCREASE IN REAL TERMS AT AN AVERAGE RATE OF 10.2 PERCENT DURING 1974-76. BY COMPARISON, IN 1969-73, THE FIGURE WAS ONLY 5.7 PERCENT ANNUALLY.

THE VALUE OF AGRICULTURAL PRODUCTION IN REAL TERMS WAS UP AN AVERAGE OF 5.2 PERCENT ANNUALLY DURING 1974-76, TWICE THE AVERAGE RATE FOR THIRD WORLD COUNTRIES IN THE SAME YEARS AND FOR VENEZUELA IN THE PERIOD 1969-73.

INDUSTRIAL PRODUCTION INCREASED 11.8 PERCENT ANNUALLY DURING THE SAME PERIOD, TWICE THE RATE OF INCREASE DURING 1969-73.

REAL GDP REACHED BS 71.9 BILLION IN 1976, AN INCREASE OF BS 5 BILLION OVER 1975.

THE AVERAGE ANNUAL INCREASE IN REAL GDP FOR THE PERIOD 1974-76 WAS 6.6 PERCENT.

REAL PER CAPITA GDP (EXPRESSED IN 1968 PRICES) ROSE FROM BS 5264 IN 1973 TO BS 5822 IN 1976. THIS AMOUNTS TO AN AVERAGE ANNUAL INCREASE OF 3.4 PERCENT COMPARED TO 1.9 PERCENT IN 1969-73.

GROSS FIXED INVESTMENT IN 1976 REACHED BS. 19.7 BILLION IN 1968 PRICES.

GOVERNMENT SPENDING DURING 1974-76 TOTALLED BS 121.1 UNCLASSIFIED

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BILLION OR 1.87 TIMES THAT SPENT DURING 1969-73. OF THIS AMOUNT, BS 23 BILLION HAS BEEN DEPOSITED WITH THE VENEZUELAN INVESTMENT FUND.

IN DECEMBER OF 1976, THE LEVEL OF PUBLIC DEBT WAS BS 19.348 MILLION. THIS INCLUDED BS 11.228 BILLION IN EXTERNAL DEBT AND BS 8.06 BILLION IN INTERNAL DEBT. BS 3.933 BILLION WAS INCURRED AS A RESULT OF THE NATIONALIZATION OF THE PETROLEUM INDUSTRY AND BS 4.292 BILLION WAS CONTRACTED TO REFINANCE THE DEB INCURRED BY PREVIOUS ADMINISTRATIONS.

IN 1972, DEBT SERVICE OBLIGATIONS AMOUNTED TO 9.8 PERCENT OF BUDGET OUTLAYS WHILE IN 1976 THEY AMOUNTED TO ONLY 6.2 PERCENT.

2. THE PRESIDENT EMPHASIZED THROUGHOUT HIS SPEECH THAT THE GOVERNMENT WOULD CONTINUE TO TAKE WHATEVER STEPS ARE NECESSARY TO INSURE THAT ALL LEVELS OF VENEZUELAN SOCIETY

SHARE IN THE NEW PROSPERITY.

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